

TOP 10 REASONS YOU SHOULD USE TITLE GUARANTY!

10. **Superior, personalized customer service; contact our Help Desk at 515.725.4989**
9. **Free Commitments within 24 hours**
8. **Free Endorsements—Comprehensive, Environmental Protection Lien, Location, Variable Rate Mortgage and Loss Mortgage Lien**
7. **New, simplified, flat premium rate \$110 for residential mortgages under \$500,000. Even less for refinances (\$90) and second mortgages covered at the same time (\$25)**
6. **Standards in Excellence Program ensures a guaranteed turnaround time**
5. **Non-Purchase Product—Uses a Report of Title, a short-form search by a participating abstractor**
4. **Rapid Certificate Program—No need to wait for a mortgage release to get a Certificate**
3. **Mortgage Release Program—Only Title Guaranty can help you with an unreleased old mortgage**
2. **Owner Certificate is only \$25 when ordered with a Lender Certificate (up to \$500,000 coverage)**
1. **Title Guaranty premiums are the only ones that help fund Iowa’s housing programs**



ON THE MOVE

Distributed by:
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Title Guaranty Division
2015 Grand Avenue
Des Moines, IA 50312

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Frequently Asked Questions

Question:

The abstract shows a judgment against the buyers/borrowers that has not been satisfied. I believe the mortgage is superior to the judgment because it is a Purchase Money Mortgage. Should I show this judgment as an objection in my final title opinion or Title Guaranty Certificate?

Answer:

Yes, the judgment should be shown in the final title opinion because it remains a lien on the property. Iowa Code Section 654.12(B) governs Purchase Money Mortgages, and you should verify that the mortgage meets all of the requirements of the statute. In addition to showing the judgment on your Final Title Opinion, you should also state: “The mortgage is a FIRST LIEN on the property and the judgment is inferior to the mortgage based upon the provisions of Iowa Code Section 654.12(B).” Title Guaranty staff will issue the Certificate and, for your convenience, we offer a standard Participating Attorney Statement with blanks that can be filled in for the individual transaction. When completed, the Statement provides the purchase money mortgage analysis and can be attached as a supplement to your final title opinion.

If you are issuing Title Guaranty Certificates in the field, show the judgment below the Note for Information on Schedule B and state that it is inferior to the guaranteed mortgage.

Please keep the questions coming. Send your questions to:

Linda Berg
Email: linda.berg2@iowa.gov

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FROM THE DIRECTOR

What a year! On the heels of the recent election, Title Guaranty welcomes new and returning legislators and looks forward to working with the incoming Culver administration. We are eager for the opportunity to continue to share our story and our successes. Title Guaranty was created in a bipartisan spirit and enjoys bipartisan support. No doubt this spirit of partnership will continue in 2007 and beyond.

We also recently hosted the 2nd Annual Title Guaranty Conference, and I am pleased to report that it was a great success. The response from the attendees was terrific, and the credit belongs to the quality speakers and panelists. We have a very talented group of partners, from attorneys to abstractors to lenders, and we appreciate so many of them taking time to participate in the conference. The Title Guaranty Conference exists for our partners and would not be successful without their contribution. I would like to add my personal thanks to everyone who made the event a success.

The current year was exciting for Title Guaranty, as we implemented numerous changes. Next year promises to deliver even more enhancements to the Title Guaranty product. Our industry is dynamic, and we must be willing to change our products and procedures to continually meet the needs of the real estate industry and the consumer in Iowa. Soon we will introduce another improvement that will directly benefit Iowa homebuyers—Owner Certificates at no charge when purchased in conjunction with Lender Certificates. We are confident that this opportunity adds a new layer of consumer protection for Iowa homeowners.

I appreciate the comments and suggestions you’ve shared with me throughout the year, and I encourage you to keep the lines of communication open. Together, we can continue to build a title product for Iowa that is superior to what is available anywhere else.

Thank you.

Loyd W. Ogle, Director

Title Guaranty

ON THE MOVE

Title Guaranty introduces Closing Protection Letter Program

On November 1, Title Guaranty rolled out a new Closing Protection Letter Program. Closing Protection Letters cover lenders for losses suffered because of failure to follow closing instructions and theft of settlement funds. As our industry continues to change, we expect to see more lenders requesting traditional Closing Protection Letters.

The Letters are available to member attorneys and abstractors who participate in the field issuance program. Title Guaranty will provide Closing Protection Letters to lenders who use participating attorneys and abstractors to close their transactions. The attorney or abstractor must issue a Commitment and final Title Guaranty Certificate on these transactions. There is no additional charge for a Closing Protection Letter. Although the Gap Coverage Endorsement is required on Closing Protection Letter transactions, it is issued free of charge. The insurance requirements for

participation in the program are \$500,000 per claim and \$1 million aggregate annual limit.

If you are interested in participating in the program, please visit the Forms & Documents section of our Web site, www.iowaFinanceAuthority.gov, to download the application and supporting documents. If you have not yet attended an online training session, please contact a member of Title Guaranty’s training team at 515.725.4899, and we will do our best to accommodate you.



Title Guaranty 2nd Annual Conference

From the opening general session to the final breakout session, the 2nd Annual Title Guaranty Conference received great reviews! Heather MacDonald opened the meeting with a detailed review of Iowa’s housing market and the demographic trends impacting growth and decline regionally. The redistribution of population, growth in home ownership and minority in-migration will all affect the housing market throughout the state in coming years.

Tim Gartin of Hastings & Gartin, LLP, moderated a panel discussion spanning the settlement services industry. Participants were: Chuck Juhl (abstractor), Greg Kingery (attorney), Rachelle Johnson (attorney/abstractor), Peggy Doerge (lender) and Don Guisinger (abstractor). They fielded a variety of questions, including: “How do you see the future of title evidence in Iowa?”; “Will title searches replace abstracts?”; “What are the major issues facing your industry today?”; and “Who’s responsibility is it to protect the consumer?” This panel was one of the most popular segments of the conference and generated much discussion among participants!

Following a hilarious luncheon speaker, the conference continued with breakout sessions covering everything from foreclosures to fraud, title examination to closings. Other speakers included Dan Moore, David Erickson, Stuart McKee from the Division of Banking, Larry James, Mickey Carlson with the Iowa Finance Authority, and representatives from Iowa Land Records. As one attendee stated, “My only complaint is I want more! Looking forward to next year!”



All presentations may be found on the Title Guaranty Web site, www.iowaFinanceAuthority.gov.

Thank you to those who attended – we appreciate your participation. We are already planning Conference 2007, and welcome your comments and suggestions for speakers and topics. Contact Linda Berg at 515.725.4893 or linda.berg2@iowa.gov.



Meet Judy Peterson

Judy Peterson is a 14-year veteran of Title Guaranty, working here since October 1992. She actively participates in online processing training for abstractors and attorneys in the field, and she coordinates the Mortgage Release and Rapid Certificate programs. Judy holds a B.A. from Midland Lutheran College in Fremont, Nebraska, and is a Certified Legal Assistant. She has four children—three of whom are in college—and she loves to sew in her free time.

Featured Endorsement

The Variable Rate Mortgage Endorsement may be issued with a Lender Certificate when the guaranteed mortgage includes language providing for interest rate changes. The Endorsement guarantees against actual loss or damage that the Guaranteed may sustain because of:

- (1) The invalidity or unenforceability of the lien of the guaranteed mortgage resulting from the provisions therein that provide for interest rate changes.
- (2) Loss of priority of the lien of the guaranteed mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the guaranteed mortgage, which loss of priority is caused by said changes in the rate of interest.

“Changes in the rate of interest,” as the term is used in the Endorsement, means only those changes in the interest rate calculated pursuant to the formula provided in the guaranteed mortgage as of the Date of Certificate.

The Endorsement does not guarantee against loss or damage based on usury or any consumer credit protection or truth-in-lending law. This should not be construed as guaranteeing title to said estate or interest as of any date later than the Date of Certificate.

The guaranteed mortgage should be reviewed to verify that it includes language providing for changes in the interest rate before the Endorsement is approved in a Commitment or issued with a Certificate.

